

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

March 3, 2021

3:32 p.m.

MEMBERS PRESENT

Senator Joshua Revak, Chair (via teleconference)
Senator Peter Micciche, Vice Chair
Senator Click Bishop
Senator Gary Stevens
Senator Jesse Kiehl
Senator Scott Kawasaki

MEMBERS ABSENT

Senator Natasha von Imhof

COMMITTEE CALENDAR

SENATE BILL NO. 29

"An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial set net entry permits; establishing a buy-back program for certain set net entry permits; providing for the termination of state set net tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 29

SHORT TITLE: COOK INLET: NEW ADMIN AREA; PERMIT BUYBACK

SPONSOR(s): SENATOR(s) MICCICHE

01/22/21	(S)	PREFILE RELEASED 1/8/21
01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	RES, FIN
03/03/21	(S)	RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

KEN COLEMAN, President
Eastside Consolidation Association

Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29 and provided and overview of the bill.

KONRAD JACKSON, Staff

Senator Micciche

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented a sectional analysis for SB 29.

GARY DEIMAN, representing self

Ninilchik, Alaska

POSITION STATEMENT: Testified in support of SB 29.

SHARON DEIMAN, representing self

Ninilchik, Alaska

POSITION STATEMENT: Testified in support of SB 29.

JEFF DENT, representing self

Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

DEVIN EVERY, representing self

Kenai, Alaska

POSITION STATEMENT: Testified in support for SB 29.

RUSSEL CLARK, representing self

Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

GARY HOLLIER, representing self

Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

ANDY HALL, President

Kenai Peninsula Fishermen's Association

Chugiak, Alaska

POSITION STATEMENT: Testified in support of SB 29.

MELISSA DEVAUGHN HALL, owner

Hall Family Salmon

Chugiak, Alaska

POSITION STATEMENT: Testified in support of SB 29.

TIM DONER, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 29.

BRUCE MANLEY, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

JOANNE WICKERS, representing self
State of Washington

POSITION STATEMENT: Testified in support of SB 29.

SCOTT SUMMERS, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

JOHN MANLEY, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support SB 29.

NANCY TAYLOR, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 29.

GEORGE TOWNSEND, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

RANDY MEIER, representing self
Kasilof, Alaska

POSITION STATEMENT: Testified in support of SB 29.

JEREMY NOET, representing self
Bellingham, Washington

POSITION STATEMENT: Testified in support of SB 29.

TED CROOKSTON, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 29.

TIM OSMAR, representing self
Kasilof, Alaska

POSITION STATEMENT: Testified in support of SB 29.

ROBERT WILLIAMS, representing self
Kasilof, Alaska

POSITION STATEMENT: Testified in support of SB 29.

MARILYNN KEENER, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 29.

MELVIN JOHNSON, representing self
Cook Inlet, Alaska

POSITION STATEMENT: Testified in support of SB 29.

TIM KEENER, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 29.

VICKI NELSON, representing self
Kasilof, Alaska

POSITION STATEMENT: Testified in support of SB 29.

ACTION NARRATIVE

[3:32:16 PM](#)

ACTING CHAIR CLICK BISHOP called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Kiehl, Kawasaki, Stevens, Micciche, Chair Revak (via teleconference), and Acting Chair Bishop.

SB 29-COOK INLET: NEW ADMIN AREA; PERMIT BUYBACK

[3:33:30 PM](#)

ACTING CHAIR BISHOP announced the consideration of SENATE BILL NO. 29 "An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial set net entry permits; establishing a buy-back program for certain set net entry permits; providing for the termination of state set net tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

[3:34:41 PM](#)

SENATOR MICCICHE, speaking as sponsor of SB 29, stated that sport and commercial fishing user groups in Cook Inlet brought this forward after years of work to find a solution for the overly dense fishery on the east side of Cook Inlet. The bill provides the structure for a voluntary permit buyback.

He detailed that the bill allows the Commercial Fisheries Entry Commission to divide the east side of Cook Inlet. This is where fish return to the Kenai and Kasilof rivers. If the fishermen approve the voluntary buyback program, they will register for a drawing to be bought out. The bill allows registered fishermen to participate in a draw for a permit buyback. Their names will

go on the roster. If the bill passes and the program is funded, the fishermen on the roster will be asked (in order) if they want their site and permit purchased by the fund to not be fished again.

SENATOR MICCICHE explained the goal is to [voluntarily] reduce the fishery by about 50 percent. The [Eastside Setnetters] did their own survey to address uncertain legislative support. Each east side Cook Inlet permitholder received the survey, 95 percent of those who responded [supported the permit buy-back].

SENATOR MICCICHE said the goal is to relieve the pressure, provide more fish, more king salmon in rivers while maintaining a viable fishery for Eastside Setnetters who remain. The remaining setnetters will provide enough fish for the processors because right now they are getting almost no fishing time and are "starving to death."

He noted the [Eastside Setnetters] may finally have support from [United Fishermen of Alaska] (UFA) and the other fishing groups who realize "We are at the end of our rope." Fishing families that have been fishing the east side in Cook Inlet for generations are at the end of their rope. The intent is for some of those families to remain viable and to give those who choose to be voluntarily bought out an opportunity to move to other fisheries or retrain for another line of work.

SENATOR MICCICHE stated the [Eastside Setnetters] do not know where the funding comes from. However, until there is a process in place, they cannot ask some of the federal conservation buckets of dollars that have bought out other voluntary buyouts in the Lower 48 or the private sector that may be interested in contributing. The bill allows those fisherfolk to go look for funding to execute the program.

He said Mr. Coleman will explain how the program works.

[3:40:47 PM](#)

At ease

[There were technical difficulties]

[3:42:21 PM](#)

ACTING CHAIR BISHOP called the committee back to order.

[3:42:32 PM](#)

KEN COLEMAN, President, Eastside Consolidation Association, Kenai, Alaska, testified in support of SB 29. He said he has been a setnetter on the east side of Cook Inlet for 49 years. He explained the Eastside Consolidation Association (ECA) is a qualified salmon association recognized by the State, specifically formulated as a vehicle to explore gear reduction or permit buybacks. The goal of ECA is to reduce the number of set net permits and nets on the east side of Cook Inlet—only the east side—and there are four other districts [in Cook Inlet] that are not included in the bill.

He explained ECA is trying to find a way to return to a viable and sustainable set net fishery. ECA still subscribes—and always will—to have sustainable escapements in all rivers and a reasonable harvest opportunity for all user groups—not just ECA—but sport, guided sport, general public, personal use fishers, everyone. ECA would like to work collaboratively with all user groups to do the right thing for the fish and to make sure everyone ends up with a reasonable opportunity to harvest.

3:44:53 PM

MR. COLEMAN said SB 29 asks the legislature to create a new administrative area and provide for a permit reduction via permit buybacks.

MR. COLEMAN referenced slide 3 in his presentation and detailed ECA is a non-profit salmon association that is formulated specifically to explore permit reductions or permit buybacks from user-group members or affected parties—as stated in statute.

He noted slide 4 specifies who the Eastside Setnetters are: fathers, mothers, grandparents, children, sons, daughters, and families; a community filled with generations of set netting families and an important part of its local history. Set netting is not just a job, set netting defines who they are as a user group. He said he suspects all commercial fisherfolk and gear groups in Alaska feels much the same way, "It is a way of life that is very much family oriented."

MR. COLEMAN detailed his personal history, noting his father was a fisherman in northern Cook Inlet and Bristol Bay. He detailed he started fishing as a teenager, his sons grew up fishing, and his wife helped him fish. He added his sons grew up on their fishing site and his grandchildren are experiencing the setnetter life on the beach, "It's just nothing else like it."

[3:47:02 PM](#)

MR. COLEMAN referenced slide 5, Eastside Setnet History. The east side setnet fishery takes its roots back to about 1880s. There were early canneries in the mouth of Kasilof and Kenai Rivers. The east side set net fishery has been around as one of the longest and historical fisheries in the state.

MR. COLEMAN addressed slide 6, Upper Cook Inlet Setnet Area, and detailed the Eastside Setnetters do their fishing in Upper Cook Inlet. The set net area is one of five different districts in Cook Inlet. The Central District is where the Eastside Setnetters reside. The Northern District—northern end of Cook Inlet—is closer to Anchorage. The Kalgin Island District is located around the largest islands in Cook Inlet. The Western District runs on the westside of Cook Inlet, all the way down to Chinitna Bay. The Southern District is in the Kachemak Bay area.

He reiterated ECA is strictly talking about the east side of Cook Inlet, from the Ninilchik River up to Northern District line.

MR. COLEMAN detailed slide 7, 1973 Limited Entry, and explained limited entry was promulgated in 1973, noting most of Eastside Setnetters are original permit owners who are very supportive of the program within the [Commercial Fisheries Entry Commission] (CFEC). Today there are 735 permits throughout Cook Inlet with 440 east side set net permitholders.

[3:49:37 PM](#)

MR. COLEMAN referenced slide 8 and noted the largest river systems and the most harvests come from both the Kenai and the Kasilof Rivers in the east side set net fishery. The area became even more popular for other Cook Inlet set net fisherfolk in the mid-1980s because the area had tidelands for populating permits and nets; that coincided with record biomass and record prices which resulted in an influx that created a fishery that was about twice as big as its historical size—which continues today resulting in difficulty for sustaining a business.

He noted [the current runs on the east side of Cook Inlet] are somewhat smaller due no sockeye enhancement and much larger user groups that includes sportfishing, dipnetters, and another gear group—driftnetters. There is a lot of competition, and the "east-side pie" has become increasingly smaller with multiple user groups trying to find a way to continue being viable—the reason for the bill.

MR. COLEMAN referenced slide 9, SB 29—Cook Inlet: New Admin Area: Permit Buyback and Gear Reduction Act, and explained the bill is a legislative attempt to find a way to reduce the [Eastside Setnetters] in its posture and footprint to remain as viable as they have been for the last 150 years.

[3:52:17 PM](#)

MR. COLEMAN referred to slide 10, Reducing Permits, noting the bill is the mechanism where the [Eastside Setnetters] request their size reduction from 440 permits to 240 permits, an approximate 45-percent reduction. The permit reduction will significantly close areas of water. Currently there are 1,320 nets on the east side of Cook Inlet, an area spread out over 60 miles; however, viability has become increasingly hard. The reduction of nets and permits will allow the people who remain behind to continue doing what they love and remain part of [the state's] cash economy.

MR. COLEMAN noted there are ways for CFEC to reduce permits in particular fisheries, but none allow for set net permits to have self-determination in particular areas. Sixty percent of the nets in Cook Inlet are fishing on the east side of Cook Inlet.

He pointed out if CFEC was asked to do an optimization study for Cook Inlet, their study would analyze the connected economics and sociology, but their optimization number may not be less than what currently exists. However, if CFEC came up with a number that required permit reductions, the reduction would apply to the entire Cook Inlet. The Eastside Setnetters have to find a way to exclude itself from the rest of Cook Inlet to reduce its numbers and fix its issues. The buyback is the only vehicle ECA has come up with that does that.

[3:55:52 PM](#)

MR. COLEMAN noted the 200-permit reduction requires the closure of the tidewater associated with the permits. Tidewater closure allows for individuals who retain their sites to benefit from increased fish availability. Closed water is a primary feature of SB 29.

He addressed slide 12, Voluntary Reduction Approved by Fleet. The voluntary program allows permit holders to register their "A permit" and its associated site to participate in the lottery that CFEC would run. No commercial fisherfolk, agent, or unassociated third party with the fishing community would have control of the lottery process—which is the right thing to do.

MR. COLEMAN noted ECA conducted a number of fleet reduction program polls. The two polls he was involved with indicated over 80 percent of set net fisherfolk approved a gear reduction and permit buyback; that number continues to grow for allowing self-determination and moving forward.

3:58:42 PM

He referenced slide 13 and explained the \$260,000 [estimated buyout value] was derived by looking at how much Cook Inlet set net permits annually gross—approximately \$20,000 per permit—over 10-years. The [estimated value] also includes \$60,000 for tax implications. The lottery buyout would allow permitholders to close their business in perpetuity. Many permitholders expressed to him a desire to move to other commercial fishing areas—Bristol Bay or Prince William Sound—if they were bought out.

MR. COLEMAN noted permit reductions addresses the "fish wars" by conserving some of the stocks that are desirable by the other user groups. ECA has had discussions with other user groups to allow everyone to thrive and survive. The bill would allow for securing non-state funding for the buyback.

4:02:56 PM

ACTING CHAIR BISHOP thanked Mr. Coleman for the comprehensive overview.

SENATOR MICCICHE commented that the bill should say "by request" because the proposal was brought to him by two user groups in Cook Inlet that have been struggling for solutions for many years.

He stated the eastside setnetters are up against a wall and he believes the buyback is the only option that will provide a future for half of the fishermen on the east side of Cook Inlet, as well as provide an opportunity for those who are willing to move on to other options. SB 29 is a win-win option that provides a future.

SENATOR MICCICHE said for Kenai River sportfishing and setnetters to walk into his office to present what they think is a solution that will benefit all the user groups is unusual, and that occurred about five years ago. He expressed hope that the eastside setnetters formally support the buyback program. Recent polls indicate the level of support is 95 percent, but that has been after two more years of consistent closures and almost a complete absence of opportunity for fishing families on the east side of Cook Inlet.

4:05:22 PM

SENATOR STEVENS asked Mr. Coleman to explain the prioritization process for the permit buybacks when the funding is unknown.

MR. COLEMAN explained people would put themselves into a lottery process done by the state. People will have the option to leave the program prior to the consummation where the next person in line could opt into the program.

He has discussed the potential to solicit federal grant funding through the National Oceanic and Atmospheric Administration (NOAA) Fishing Capacity Reduction Program with Senator Micciche and the Alaska federal delegation, and ECA has also explored private funding. However, people are reluctant to participate unless there is a work product such as SB 29. The bill has a sunset clause and ECA will try mightily to secure funding prior to the sunset, he said.

4:08:12 PM

SENATOR STEVENS asked the sponsor if the set net owners themselves could invest money to help fund permit reduction.

SENATOR MICCICHE explained the setnetters have evaluated a tariff on themselves, but they opted to explore buyouts via a program that Konrad Jackson will explain in the sectional analysis.

He noted the proposed buyout program eliminated the potential for people to speculate because they think there will suddenly be a higher value. The program also eliminated the potential to jump a place in line by getting in early. The buyback is based totally by lottery—no one has a jump on order. People would send their interest in to participate and based on the scientific survey showing 95 percent are interested, there might be close to 400 people applying. The CFEC would draw the name order, but only 200 would be part of the voluntary buyout system to provide a viable remaining fishery.

SENATOR MICCICHE explained drawing more than 200 names allows for people to change their minds—especially with multi-generational fishing families—and the next name in line drops down.

He asked Senator Stevens to repeat his last question.

4:10:20 PM

SENATOR STEVENS said he asked about private funding.

SENATOR MICCICHE explained that ECA initially thought about an assessment, but they were not sure there would be additional product available for the remaining setnetters due to the competition and allocation issues in Cook Inlet. ECA will first try to secure funding from agencies and private entities involved in gear reduction operations. If funding is inadequate, ECA would have to come back for another discussion with the setnetters and the legislature.

SENATOR KAWASAKI commented that set net permits must have some value.

SENATOR MICCICHE replied they do and it varies dramatically depending on location. Permits from very productive sites have sold for over \$1 million.

He pointed out ECA does not care which permits sell when taking 200 permits out of the water. If there is a lower value site, the hope is that those individuals will reinvest in another fishery or take the money and go elsewhere. However, the key is some of the lower value sites actually catch a larger proportion of king salmon because the nets are in the water longer, but the sites are just not the high volume later in the season when the sockeye salmon are really hitting sites.

SENATOR MICCICHE noted some people might say there is a permit site for \$35,000; however, the buyout intent is to take set net businesses out of existence in perpetuity and reduce the fleet to give the fisherfolk something to move on to via the funding.

4:13:16 PM

SENATOR KAWASAKI asked if the 200 permit buybacks of the 735 permits artificially inflates the prices for the remaining permits.

SENATOR MICCICHE explained the buyback pertains to 440 permits for the Eastside Setnetters, not 735 permits.

He said the sectional analysis will address a cutoff date so that there is no speculation. The permits would not be worth the buyout amount to anyone else because permitholders are either going to be bought out or not, then the permits will go back to their traditional value. Whether the buyout results in additional volume is unknown, but the hope is it does and leaves a more viable fishery.

SENATOR MICCICHE explained that limited entry permit values on a graph may look like a rollercoaster ride. The value of Bristol Bay permits has ranged from \$15,000 to almost \$200,000. Cook Inlet permits—not long ago for drifters—were in the \$200,000 ranges, now the permits are worth about \$50,000. Permit values will increase when several good years occur in a row and the reverse happens when there are several down years in a row. The reason for basing the buyout on average earnings for 10 years was to smooth out the value versus the "rollercoaster ride."

SENATOR KAWASAKI expressed hope that the bill does not create an awkward secondary market as it has with liquor licenses.

[4:16:26 PM](#)

SENATOR STEVENS asked the sponsor if the bill precludes someone from selling their site outside of the buyback program, especially for someone that had a \$1 million site who wants to sell that on the open market.

SENATOR MICCICHE answered sites on "North Beach" are not going to sell for \$200,000 plus tax protection, but the less productive sites will more likely sell. However, the value of less productive sites is greater passage of king salmon which is really the biggest rub. There is a "sockeye thing" right now due to low returns, the 10-year average is down with a lot of competition that has grown dramatically.

He said when thinking about the allocation shift to the other groups, the buyback plan is unfortunately the only response [Eastside Setnetters] see left that reduces the take-out while allowing viability for the remaining setnetters.

SENATOR KIEHL asked him why he chose a value number versus using a hybrid of the methods that allows CFEC to come up with an optimization number or buyout value with the other methods described in the bill, and then fund the program.

[4:18:48 PM](#)

SENATOR MICCICHE explained the permit numbers in the bill are returning the east side to the appropriate number of participants prior to the move east during the really large runs in the 1980s—a more traditional number. If CFEC were to do an optimization study, it would be Cook Inlet wide. The Bristol Bay districts are divided but Cook Inlet setnetters are not divided in that way; they are regulated in different areas, but they are all treated the same.

SENATOR MICCICHE said the bill allows CFED to break off the east-side area which is the one dramatically impacted. The individuals on the far west side—where they are open pretty much all season long on a huge swath because there is not really an allocation—is not a fishery that has a lot of demand from other user groups. The east side is a localized issue between the Kenai and Kasilof Rivers that the bill divides out and treats differently.

[4:20:46 PM](#)

KONRAD JACKSON, Staff, Senator Peter Micciche, Alaska State Legislature, Juneau, Alaska, referenced a sectional analysis of SB 29 as follows:

Section 1: Amends the uncodified law of the State of Alaska by adding a new section which establishes that this legislation may be known as the East Side of Cook Inlet Set Net Fleet Reduction Act.

Section 2: Amends the uncodified law of the State of Alaska by adding new Legislative findings and intent relating to the bill.

Section 3: Amends AS 16.43.200(b), clarifying the Alaska Commercial Fisheries Entry Commission's (commission) specific authority to divide an existing commercial fishing administrative area into two or more separate areas.

Section 4: Amends AS 16.43.200 by adding 2 new subsections:

- (c) Establishes an area of the Upper Subdistrict of the Cook Inlet Central District as a distinct administrative area separate from the Cook Inlet Central District on December 31, 2019. This area is made up of the statistical areas identified on January 1, 2019 as 244-21, 244- 22, 244-31, 244-32, 244-41 and 244-42.
- (d) Provides that an individual who has a set net permit for the Cook Inlet Central District on December 31, 2019 is not entitled to set net in the administrative area created under this section as of January 1, 2020 unless the permit has been reassigned to that new administrative area.

Section 5: Amends the uncodified law of the State of Alaska by adding a new section which provides how the commission will determine whether an individual who holds a set net entry permit in the Cook Inlet Central District on January 1, 2022 is reassigned an entry permit for the administrative area established under AS 16.43.200(c) (added by sec. 4 of the bill) or the portion of the Cook Inlet Central District that was not assigned into the administrative area established under AS 16.43.200(c).

Section 6: Amends the uncodified law of the State of Alaska by adding a new section which defines the appeals process in the new administrative area. This section provides that Senator.Peter.Micciche@akleg.gov a provisional license will be issued pending resolution of an appeal and the provisional permit holder may cast a provisional ballot in the election established under section 7.

Section 7: Amends the uncodified law of the State of Alaska by adding a new section which requires on April 1, 2022 an election be conducted by the commission among persons holding permits in the new administrative area, to affirm support or opposition to a buy-back program. Requires the commission provide public notice of the election, hold public meetings concerning the election, and clarify the details of the buy-back program to those participating in the election.

[4:25:31 PM](#)

Section 8: Amends the uncodified law of the State of Alaska by adding a new section which establishes the set net entry permit buy-back program for certain permits fished in the administrative area established under AS 16.43.200(c) (added by sec. 4 of the bill). This section will only take effect if approved in an election by the set net entry permit holders in the administrative area established under AS 16.43.200(c). If it is approved, the buy-back program will become law 30 days following notification of the Lt. Governor (see secs. 10 and 12). Sets qualifications for participation in the program, provides the buy-back price for permits, requires that the purchased permits be cancelled and not re-issued, provides that certain waters that were fished with permits purchased under

the program will be closed to future commercial salmon fishing, and specifies other details of the buy-back program.

Section 9: Amends the uncodified law of the State of Alaska by adding a new section which requires the commission to provide a written report to the Legislature on the status of the program not later than January 15, 2028.

Section 10: Amends the uncodified law of the State of Alaska by adding a new section which requires the chair of the commission to notify the Lieutenant Governor and the Revisor of Statutes of the outcome of the election held under section 7.

Section 11: Repeals sections 1, 2, 8 and 9 on June 30, 2028.

Section 12: Amends the uncodified law of the State of Alaska by adding a new section which provides that secs. 1, 2, 8, and 9 take effect only if notice is provided under section 10 that the buy-back program established under section 8 was approved.

Section 13: Effective Date Clause. Section 4 of the bill takes effect January 1, 2022.

Section 14: Effective Date Clause. Provides if sections 1, 2, 8 and, 9, take effect under section 12, they take effect 30 days following the date of the notice provided in section 10 that the buyback program was approved.

Section 15: Effective Date Clause. Except as provided in sections 13 and 14, the bill takes effect July 1, 2021.

[4:28:45 PM](#)

SENATOR STEVENS referenced Section 9 and asked why the report on the status of the program is not until 2028 instead of annually.

MR. JACKSON answered there might not be much to report in 2021 or 2022. It is intended as a final wrap up on the success of the program and how many nets were ultimately removed from the water.

ACTING CHAIR BISHOP turned the gavel over to Vice-Chair Micciche.

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VICE-CHAIR MICCICHE opened public testimony on SB 29.

4:30:27 PM

GARY DEIMAN, representing self, Ninilchik, Alaska, testified in support of SB 29. He noted he is a long time Eastside Setnetter. He asked that the bill not use the term "lottery."

4:31:18 PM

SHARON DEIMAN, representing self, Ninilchik, Alaska, testified in support of SB 29. She noted her family has four generations of setnetters.

4:31:56 PM

JEFF DENT, representing self, Kenai, Alaska, testified in support of SB 29. He noted he has been Cook Inlet setnetter for 35 years. He said the proposed buyback will take a lot of pressure off of the Kenai River to allow more fish to spawn.

4:33:09 PM

DEVIN EVERY, representing self, Kenai, Alaska, testified in support for SB 29. He noted he is 20-year-old, fourth generation Cook Inlet setnetter. He said the bill is the best opportunity to keep the fishery available for future generations.

4:34:57 PM

RUSSEL CLARK, representing self, Kenai, Alaska, testified in support of SB 29. He said he has been a commercial setnetter for 20 years. He noted the Alaska Department of Fish and Game Alaska (ADF&G) has used emergency orders to reduce gear for king salmon conservation; however, implementing SB 29 will accomplish the ADF&G order. He stated the bill is a win-win because he will come out favorably whether he is chosen or not.

SENATOR KAWASAKI asked him if he would participate in the lottery if SB 29 passed.

MR. CLARK answered yes.

4:37:28 PM

GARY HOLLIER, representing self, Kenai, Alaska, testified in support of SB 29. He noted he has been an Eastside Setnetter for 50 years and his family has 9 permits. He said SB 29 would help the setnetters who want out, make the fishery economically

viable, and help the end-river users—especially for king salmon. He added he contacted 48 other setnetters, all were in favor of gear reduction, and 75 percent would participate in the lottery.

[4:39:44 PM](#)

ANDY HALL, President, Kenai Peninsula Fishermen's Association, Chugiak, Alaska, testified in support of SB 29. He stated trying to make a living from setnetting has been a struggle. Taking a portion of the east side set nets out will result in a healthy fishery. The closed-waters piece in the bill is crucial for [fishery viability]. He noted 55 percent of east side permit holders have responded to the poll Vice-Chair Micciche referenced with 95 percent supporting the buyback.

[4:42:56 PM](#)

MELISSA DEVAUGHN HALL, owner, Hall Family Salmon, Chugiak, Alaska, testified in support of SB 29. She noted her family is not sure whether they will take part in the buyback, but hopefully the program will result in a conclusion to the fighting among all user groups.

[4:44:26 PM](#)

TIM DONER, representing self, Anchorage, Alaska, testified in support of SB 29. He noted he is a setnetter in the area that the bill was written for. He stated the bill is the best solution to address the ongoing issues that the east side has. He said whether he participates or not, the [buyback] will make the fishery more viable for those who remain in the fishery.

[4:45:37 PM](#)

BRUCE MANLEY, representing self, Kenai, Alaska, testified in support of SB 29. He noted he has set net fished north of the Kasilof River since 1975. He said over the years he has been affected by the encroachment of other setnetters.

[4:46:53 PM](#)

JOANNE WICKERS, representing self, State of Washington, testified in support of SB 29. She said she and her family have been east side setnetting for 35 years. She noted the Cook Inlet fishery has changed over the years due to increased pressure from all user groups. She stated her family wants the fishery to remain viable for all user groups for generations to come.

[4:47:59 PM](#)

SCOTT SUMMERS, representing self, Kenai, Alaska, testified in support of SB 29. He said his family has fished their current site since 1958; however, the fishery is no longer viable for

his family and the fishery needs to change. He stated the bill will provide more fish to the setnetters that are left and give people the option of getting out.

VICE-CHAIR MICCICHE noted his appreciation to his staff member, Mr. Jackson, for putting his "heart and soul" into the legislation in addition to other individuals.

[4:51:01 PM](#)

JOHN MANLEY, representing self, Kenai, Alaska, testified in support of SB 29. He detailed he has been fishing north of the Kasilof River for 40 years. He stated the drift fleet will benefit from the bill as well. He said the legislation is fair for everybody. He noted those who are left can gain and people who take the buyout receive a fair compensation.

VICE-CHAIR MICCICHE disclosed he is a Cook Inlet drift fisherman—he has not figured a way that the drift fleet benefits, but that would be nice, too.

[4:52:15 PM](#)

NANCY TAYLOR, representing self, Anchorage, Alaska, testified in support of SB 29. She said her family has fished near the Kasilof River for 39 years. She stated the buyout, and the closed-water provision in the bill, is good for everybody—a win-win.

[4:52:56 PM](#)

GEORGE TOWNSEND, representing self, Kenai, Alaska, testified in support of SB 29. He noted he has set net fished in Kasilof since 1984. He stated having a buyback plan is the only thing that makes sense going forward and having fewer permits, leases, and nets in the water will help make the fishery more profitable. He stated the fight between different user groups is not going to solve itself and having solidarity amongst fisherfolk for a change is kind of a rarity.

[4:54:46 PM](#)

RANDY MEIER, representing self, Kasilof, Alaska, testified in support of SB 29. He said his family has five permits and fish north of the Kasilof River. He stated the restrictions in place have led to less fishing time, less funds, and increased difficulty in hiring crew. He noted he and his family will participate in the lottery and those who remain will have a viable fishery.

[4:56:05 PM](#)

JEREMY NOET, representing self, Bellingham, Washington, testified in support of SB 29. He noted he has been fishing since 1991. He said there needs to be a solution and he thinks the bill could be an excellent solution for all those involved.

[4:56:45 PM](#)

TED CROOKSTON, representing self, Kenai, Alaska, testified in support of SB 29. He noted he has been fishing in Kenai for 56 consecutive seasons. He said the legislation is a win-win situation that puts the fishery into its tradition state that existed prior to the 1980s.

[4:57:53 PM](#)

TIM OSMAR, representing self, Kasilof, Alaska, testified in support of SB 29. He noted he is a third-generation fisherman and has been fishing Cook Inlet for 50 years. He said the legislation is a no-brainer.

[4:58:28 PM](#)

ROBERT WILLIAMS, representing self, Kasilof, Alaska, testified in support of SB 29. He pointed out the State will realize very little cost to implement SB 29. He noted other fisheries have done [permit reductions] and the proposed bill is not new ground. He said the remaining fisherfolk will realize a more viable fishery. He noted the proposed buyback is voluntary and a permit holder does not have to participate if they do not want to.

[4:59:41 PM](#)

MARILYNN KEENER, representing self, Soldotna, Alaska, testified in support of SB 29. She said she and her family have set net fished since the 1970s and set net fishing has been a wonderful way of life.

[5:00:43 PM](#)

MELVIN JOHNSON, representing self, Cook Inlet, Alaska, testified in support of SB 29.

[5:01:18 PM](#)

TIM KEENER, representing self, Soldotna, Alaska, testified in support of SB 29. He said the bill is going to work and will benefit anybody and everybody that has been in the "fish wars" for far too long. He stated the legislation will make history and do something right that is going to benefit a lot of people, help a lot of families, and secure the future for a lot of families.

[5:02:44 PM](#)

VICKI NELSON, representing self, Kasilof, Alaska, testified in support of SB 29. She said the [set net] fishery has not been viable. She stated her family will participate in the lottery so others around their site will catch more fish.

[5:04:03 PM](#)

VICE-CHAIR MICCICHE closed public testimony on SB 29.

He explained when the buyback project started there was much more resistance than what is currently heard. Several hundred years of experience just testified before the committee. Some permitholder cases have five generations who have no desire to sell their permits because they want to fish; however, that has become impossible at this time.

He noted one thing no one mentioned is in some cases the set net families invest tens of thousands of dollars to get ready to fish, only to be left on the beach without an opportunity. He reiterated he sees no other viable alternative.

VICE-CHAIR MICCICHE stated setnetting is "our history and our culture" in his and Senator Steven's districts. The setnetters are proud families that see no other way, but he thinks they are willing to take a chance. The day a family is asked to sell their permit is going to be a really tough decision.

He said he thinks SB 29 is a solid bill that has some solutions that could finally bring the different user groups together on something, and he hopes the bill can move along.

[5:06:22 PM](#)

VICE-CHAIR MICCICHE held SB 29 in committee.

[5:06:32 PM](#)

There being no further business to come before the committee, Vice-Chair Micciche adjourned the Senate Resources Standing Committee meeting at 5:06 p.m.